



U.S. DEPARTMENT OF ENERGY
Office of Electricity Delivery and Energy Reliability
Infrastructure Security and Energy Restoration

ENERGY ASSURANCE DAILY

Wednesday Evening, December 17, 2008

Electricity

Update: About 120,000 Customers Remain Without Power in U.S. Northeast December 17

An estimated 119,538 customers remained without power across the Northeast, six days after winter storms knocked out power to almost 1.4 million customers. Public Service Company of New Hampshire, the utility hardest hit during the storms, reported in its most recent press release that, "it could take several more days" to restore all of its customers. National Grid Massachusetts reported that restorations would take until the evening of Friday December 19. Another round of storms has descended upon the Northeast slowing restoration progress, and causing new outages in some areas.

<http://www.1010wins.com/Snow--Rain-Across-Tri-State-Area/3509429>

<http://www.psnh.com/aboutpsnh/mediacenter/stormupdates.asp>

<https://www1.nationalgridus.com/masselectric/storm/OutagesByCounty.aspx>

| Northeast Customer Power Outages | | | |
|--|-------|-----------|-----------------|
| December 11-17, 2008 | | | |
| Electric Utility | State | Peak | Latest Reported |
| Public Service Co. of New Hampshire | NH | 322,000 | 64,000 |
| The New Hampshire Electric Cooperative | NH | 41,000 | 2,137 |
| National Grid (New Hampshire) | NH | 24,000 | 600 |
| Unitil (New Hampshire) | NH | 50,000 | 5,969 |
| National Grid (Massachusetts) | MA | 294,000 | 21,895 |
| Unitil (Massachusetts) | MA | 25,000 | 10,176 |
| Western Massachusetts Electric Co. | MA | 20,879 | 4,846 |
| National Grid (New York) | NY | 229,000 | 5,815 |
| Central Hudson Gas & Electric | NY | 60,000 | <500 |
| New York State Gas & Electric | NY | 34,000 | 2,600 |
| Long Island Power Authority | NY | 7,590 | 9 |
| Central Maine Power | ME | 220,000 | 350 |
| Bangor Hydro Electric Co. | ME | 12,056 | 0 |
| Central Vermont Power | VT | 28,120 | 575 |
| Connecticut Power & Light | CT | 17,095 | 66 |
| National Grid (Rhode Island) | RI | 6,000 | 0 |
| TOTAL* | | 1,390,740 | 119,538 |

*Total outages only represent electric utilities listed in this table.

Sources:

<http://www.psnh.com/aboutpsnh/mediacenter/stormupdates.asp>

<http://www.nhec.com/oms.php>

https://www.nationalgridus.com/granitestate/a3-1_news2.asp?document=3845

<http://www.thebostonchannel.com/mostpopular/18296898/detail.html>

<http://www.wmeco.com/community/stormcenter/restorationstatus.aspx>

<https://www1.nationalgridus.com/niagaramohawk/storm/OutagesByCounty.aspx>

<http://www.hvpress.net/news/125/ARTICLE/5978/2008-12-17.html>

<http://www.nyseg.com/OurCompany/News/2008/121708mechanicville3.html>

<http://www.lipower.org/stormcenter/outages/township.html>

<http://www.cmpco.com/OurCompany/News/2008/news081217b.html>

<http://www.cvps.com/Customerservice/outages/default.aspx>

<http://www.cl-p.com/outage/default.aspx>

APS's 1,243 MW Palo Verde Nuke Unit 2 in Arizona at Full Power by December 17

The Nuclear Regulatory Commission reported that on the morning of December 16 the unit was operating at 68 percent.

Information derived from the NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2008/>

FirstEnergy's 1,235 MW Perry Nuke Unit 1 in Ohio at Full Power by December 17

The Nuclear Regulatory Commission reported that on the morning of December 16 the unit was operating at 91 percent.

Information derived from the NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2008/>

PSE&G's 1,096 MW Salem Nuke Unit 1 in New Jersey at Full Power by December 17

The Nuclear Regulatory Commission reported that on the morning of December 16 the unit was operating at 89 percent.

Information derived from the NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2008/>

PSE&G's 1,092 MW Salem Nuke Unit 2 in New Jersey at Full Power by December 17

The Nuclear Regulatory Commission reported that on the morning of December 16 the unit was operating at 88 percent.

Information derived from the NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2008/>

AES's 498 MW Alamosa Gas-fired Unit 5 in California Shut by December 16

According to the California Independent System Operator, the unit experienced an unplanned outage by December 16.

<http://www.caiso.com/unitstatus/data/unitstatus200812161515.html>

Update: AES's 332 MW Alamosa Gas-fired Unit 3 in California Returns to Service by December 16

According to the California Independent System Operator, the unit returned from an unplanned curtailment of 232 MW.

<http://www.caiso.com/unitstatus/data/unitstatus200812161515.html>

Reliant's 245 MW Coolwater Gas-fired Unit 3 in California Reduced by December 16

According to the California Independent System Operator, the unit experienced an unplanned curtailment of 120 MW by December 16.

<http://www.caiso.com/unitstatus/data/unitstatus200812161515.html>

Petroleum

Fire at Two 40,000 Gallon Crude Oil Tanks in California December 15

State officials are investigating what caused the tanks to catch fire, which took fire crews two and a half hours to extinguish. Two tanks holding 40,000 gallons and another smaller tank were affected by the event.

<http://www.kget.com/news/local/story/CAL-Osha-investigating-oil-tank-explosion/uqIRsKgPnUOIL3vJNqK4CQ.csp>

API Reports U.S. November Fuel Consumption Falls to a 10-Year Low

According to a report from the American Petroleum Institute, U.S. fuel consumption in November dropped 7.4 percent from a year earlier to the lowest for the month since 1998. The main reason was the economic situation. Demand fell 3.5 percent for gasoline, 4.9 percent for diesel, 9 percent for jet fuel and 17 percent for residual fuel oil. Bloomberg News, 10:00 December 17, 2008

Tesoro to Move up Planned Maintenance on 120,000 b/d Anacortes, Washington Refinery Due to Poor Margins

Tesoro Corp. said it would shut down all the units at its 120,000 barrel per day refinery in Anacortes, Washington for maintenance early next year due to poor margins. Traders say Tesoro originally only planned to work on the crude unit in January, but decided to take the whole refinery down due to low demand and poor margins.
Reuters, 12:38 December 17, 2008

OPEC Announces Record Cut of 2.2 Million b/d of Crude Production on January 1 Oil Price Continues Slide

Crude oil dropped another \$3/barrel in early trading today, to the lowest level in over four years, even as OPEC announced the largest production cut in its history. Traders do not anticipate the cut will offset slumping oil demand. In addition, neither Russia nor Mexico agreed to cut production along with OPEC to try to stem the falling price of crude oil. The White House called OPEC's decision to cut production "short-sighted" and said the oil cartel has an obligation to keep the market well-supplied.
Reuters, 12:37 December 17, 2008

Sunoco Shuts 79,000 b/d FCCU at 160,000 b/d Toledo, Ohio Refinery for Unplanned Repairs December 12

The gasoline production unit will be down for five to ten days.
Reuters, 08:32 December 17, 2008

Valero Deepens Production Cuts at Refineries

Valero said it will run its refineries at an average of 70 to 75 percent capacity system wide due to low demand and low margins. Earlier in the month, Valero said it was running at the low 80 percent range due to low margins. The company is taking this opportunity to perform maintenance on many units. Valero has shut a 20,000 barrel-a-day fluid catalytic cracking unit, or FCCU, at the East Plant of its Corpus Christi, Texas refinery. The company has extended a shutdown of its 55,000 barrel-a-day FCCU at its Paulsboro, New Jersey refinery. The 100,000 barrel-a-day FCCU at the company's St. Charles refinery in Norco, Louisiana is currently shut for maintenance. Seven other FCCUs are operating at reduced rates: Corpus Christi West Plant; Delaware City, Delaware; McKee in Sunray, Texas; Port Arthur, Texas; Three Rivers, Texas; Wilmington, California and Benicia, California.

DJN-DJ 08:30 December 17, 2008

Reuters, 16:55 December 16, 2008

http://www.downstreamtoday.com/News/Articles/200812/Valero_Cuts_Gasoline_Production_At_Re_14256.aspx

Restart of Pipestill No. 3A Delayed at BP's 470,000 b/d Texas City, Texas Refinery

The unit was coming out of planned maintenance, but its return could be delayed until December 24.
DJN-DJ 08:30 December 17, 2008

Update: FCCU at Valero's 190,200 b/d Delaware City, Delaware Refinery Returns to Planned Rates

The FCC is back to planned rates after a boiler upset on December 15. The refinery is running at reduced rates because of low refinery margins.
Bloomberg News, 12:17 December 17, 2008

Update: Caspian Pipeline Consortium (CPC) Agrees to Expand Caspian Pipeline, BP Agrees to Exit Project

The shareholders of the CPC agreed to expand the Caspian Pipeline linking Kazakhstan to Novorossiisk incrementally to 1.34 million b/d from 670,000 b/d. BP agreed to exit its share in the project.

http://money.cnn.com/news/newsfeeds/articles/djf500/200812170454DOWJONESDJONLINE000386_FORTUNES5.htm

<http://www.platts.com/Natural%20Gas/News/8242449.xml?p=Natural%20Gas/News&sub=Natural%20Gas>

Update: Azerbaijan Willing to Cut Crude Output by 300,000 b/d To Aid OPEC's Attempt to Stabilize Oil Prices

http://www.rigzone.com/news/article.asp?a_id=70793

Natural Gas

Questar Pipeline and Enterprise Begin Operations of the White River Hub in Colorado

The White River Hub currently connects Enterprise's natural-gas processing plant at Meeker with four interstate natural gas pipelines: Rockies Express Pipeline LLC; Questar; Northwest Pipeline GP (including the Williams Willow Creek processing plant, which is currently under construction); and TransColorado Gas Transmission Company. The White River Hub, a joint venture between Questar (the hub operator) and Enterprise, consists of four miles of existing 36-inch diameter pipe and about seven miles of new, 30-inch diameter pipe, plus tie-in and metering facilities. The White River Hub provides more than 2.5 billion cubic feet per day (Bcf/d) of natural gas. BSW 09:00 December 17, 2008

Update: Corrosion Blamed for September Rupture of William's Natural Gas Pipeline in Appomattox, Virginia

Investigations concluded that outside corrosion caused the September 14 breach and subsequent explosion of a natural gas pipeline near Appomattox, Virginia.

http://www.downstreamtoday.com/News/Articles/200812/Corrosion_Caused_Appomattox_Pipeline_Rup_14247.aspx

Other News

Explosion Reported at East Kansas Agri Ethanol Plant in Kansas

The explosion reportedly occurred around 9:00 AM local time December 15. The local fire chief stated that there was no damage to the exterior of the building.

<http://ethanol-news.newslib.com/story/6938-30439/>

GreenField Ethanol Begins Output from 53 Million Gallon/Year Ethanol Plant in Johnstown, Ontario

GreenField has the largest ethanol capacity of any producer in Canada. Bloomberg News, 12:05 December 17, 2008

EIA: U.S. Will Fall Short of 36 Billion Gallon/Year Renewable Fuels Standard Mandated for 2022

EIA believes the U.S. can reach the 36 billion gallon/year amount by 2030, but not by the required date of 2022.

Reuters, 09:30 December 17, 2008

Obama Chooses Former Iowa Governor for Agriculture Post

Vilsack is a strong advocate of ethanol.

<http://www.cqpolitics.com/wmspage.cfm?parm1=1&docID=news-000002998404>

Energy Prices

| U.S. Oil and Gas Prices December 17, 2008 | | | |
|--|-------|----------|----------|
| | Today | Week Ago | Year Ago |
| CRUDE OIL West Texas Intermediate U.S. \$/Barrel | 41.42 | 45.74 | 90.08 |
| NATURAL GAS Henry Hub \$/Million Btu | 5.75 | 5.57 | 7.06 |

Source: Reuters

Update: State Regulators Allow 250 MW Highwood Coal-fired Power Plant under Construction to Keep Air Quality Permit

http://pro.energycentral.com/professional/news/power/news_article.cfm?id=11667802

Alberta Regulators Deny Shell Application to Construct Sour Gas Well and Two Pipelines

http://pro.energycentral.com/professional/news/gas/news_article.cfm?id=11667788

Asgard B Platform in North Sea Shut On Bad Weather -StatoilHydro

<http://www.reuters.com/article/rbssEnergyNews/idUSLG6597120081216>

**Eni Starts New Oilfield from Pegasus Oilfield Offshore in the Gulf of Mexico
Field Expected to Produce about 5,000 b/d of Crude Oil in 2009**

Reuters, 09:41 December 17, 2008

U.S. Annual Carbon Emissions Nearly 10 Percent below Forecasts – EIA

<http://www.reuters.com/article/environmentNews/idUSTRE4BG4HW20081217>

Palomar Gas Transmission Files to Construct 217-mile 36-inch Pipeline in Central Oregon

<http://www.platts.com/Natural%20Gas/News/6047086.xml?p=Natural%20Gas/News&sub=Natural%20Gas>

Houston Ship Channel Closed by Fog December 16 USCG

Bloomberg News, 09:05 December 17, 2008

Links

This Week in Petroleum from the Energy Information Administration (EIA)

<http://tonto.eia.doe.gov/oog/info/twip/twip.asp>

Updated every Wednesday.

Weekly Petroleum Status Report from EIA

http://www.eia.doe.gov/oil_gas/petroleum/data_publications/weekly_petroleum_status_report/wpsr.html

Updated after 10:30 AM & 1:00 PM EST every Wednesday.

Natural Gas Weekly Update from EIA

<http://tonto.eia.doe.gov/oog/info/ngw/ngupdate.asp>

Updated after 2:00 PM EST every Thursday.

ENERGY ASSURANCE DAILY

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<http://www.oe.netl.doe.gov/ead.aspx>

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